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UNCLAS SECTION 01 OF 02 DHAKA 003132

SIPDIS

SENSITIVE

E.O. 12958: N/A

TAGS: [ELAB](#) [ETRD](#) [PHUM](#) [PREL](#) [BG](#) [BGD](#)

SUBJECT: BEPZA CLAIMS PROGRESS ON ELECTIONS AND RESOLVING ALLEGATIONS OF MANAGEMENT REPRISALS

REF: A. DHAKA 1765

[B.](#) DHAKA 2414

[¶11.](#) (SBU) SUMMARY. BEPZA, with a revised count of factories that need to have elections, said that elections will be completed within weeks, arbitrators will be hired to resolve labor-management disputes, and "conciliators" will train workers on labor issues after elections. While a number of allegations of management intimidation and firings remain unresolved, the BEPZA chairman has reviewed others and is working towards their resolution. END SUMMARY.

[¶12.](#) (SBU) On July 3, Poloff informed Bangladesh Export Processing Zone Association (BEPZA) Executive Chairman Mohammed Zakir Hossain that the AFL-CIO has again petitioned the USTR to remove Bangladesh's GSP benefits. Hossain said that BEPZA has made progress in implementing the law. He presented a new count, dated June 30, that of the 218 companies in operation in Export Processing Zones (EPZs), elections have been held in 163. He added that the actual count of companies eligible for elections is only 173 because the other companies have not been in operation sufficient time to be required under the law to hold elections. He said the remaining elections will be held within weeks.

[¶13.](#) (SBU) When reminded that he had said in mid-December that he would be finished with all elections within four months, Hossain replied that he would have been finished earlier, but taking into account American Center for International Labor Solidarity's (ACILS) suggestions "took additional time."

[¶14.](#) (SBU) He cited the hiring and training of 30-40 "conciliators," funded by the World Bank, who will provide training and counseling to workers at factories who have had Worker Recreation and Welfare Committee (WRWC) elections as additional progress in the implementation of the EPZ law. He noted that the first class will graduate July 3 and will be in field within the week. He expected to hire another 20 within months.

[¶15.](#) (SBU) When asked about notification and training of workers on the law and the process of the elections, prior to the elections, Hossain admitted that not every worker has been given a copy of the election law. However, he insisted that his election training teams had instructed workers at every factory. When asked about allegations that only selected workers were given such training, he sidestepped the question by noting that workers often move to different shifts to accommodate workload needs.

[¶16.](#) (SBU) When asked about allegations of management interference, intimidation, and firings of workers, Hossain, unlike two months ago when he said he had no knowledge of allegations (ref A), said he had a list of 18 allegations that they have investigated, of which a number have been resolved. When asked if his list would match a similar list that ACILS might have, he admitted that probably there would be more.

[¶17.](#) (SBU) Poloff asked about the allegation involving a Chittagong-based employee at Sasha Denim Ltd.(ref b), who was allegedly fired for his advocacy for the WRWC. Hossain replied that he had asked the "fired person" to come to Dhaka, but that he had not shown up yet. Hossain added that he as the Executive Chairman had not yet approved the firing of the person. However, Hossain admitted that the individual had not gotten his job back, that the sacking was contrary to the law but complained that he was powerless to force management to take back an employee.

[¶18.](#) (SBU) When asked how he planned to handle management-labor disputes, Hossain said that he was in the process of hiring arbitrators, who he wanted to be former judges, to rule on such problems. He said he wanted the process to be "transparent" but would not comment on whether the laborers could have outside assistance in such cases.

[¶19.](#) (SBU) In response to question about individuals, on their own time, going to a local USG-supported labor NGO, located out of the EPZs, to obtain labor information prior to elections, Hossain said that this is contrary to section 87 of the EPZ Law. He said that the labor NGO, "Bangladesh Independent Garment Union Federation (BIGUF), is a political

organization," and the law prohibits workers from associating with political organizations. When asked how one person can meet the criteria of law, which prohibits workers associations from associating with political organizations, he replied that "in Bangladesh, everything is political," and "one worker becomes 10" and soon it is a political party.

¶10. (SBU) When pressed on the allegations and their effect on the AFL-CIO petition, Hossain noted that there were 2 to 3 other major allegations to be resolved, such as BEPZA's disagreement at one factory over a mass firing of 50 workers.

He said he has acted forcefully on a number of occasions, as when he revoked the work permit of a recalcitrant factory manager of LSI Ltd, a Taiwan based maker of garment accessories, and has threatened to revoke the export license of others. He complained that some factories are better equipped to deal with the elections than others, but smaller factories with only a few management staff are having a difficult time coping with elections. Others, such as Koreans, with their history of violent labor problems, complain bitterly over the EPZ law, which was seen as a betrayal of the original EPZ agreement which brought them to Bangladesh. He also complained that BEPZA was not designed to hold elections and that he is short staffed. Under such conditions, he said it was difficult for BEPZA to get some managers and "illiterate workers" to resolve these allegations.

CHAMMAS